European Community Commentary

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A Supplement to *Trade and Industry*

Renegotiation: Mr. Callaghan gives details of the changes sought

In his statement to the Council on 1 April, outlining the Government's policy to the European Communities, James Callaghan, Secretary of State for Foreign and Commonwealth Affairs, undertook to come back to the Council at a later date with an amplification of the matters which the United Kingdom finds unsatisfactory in its membership of the Communities and which it wishes to change. Mr. Callaghan made his promised statement at the meeting of the Council of Ministers held in Luxembourg on 4 June. The text of the speech is given below.

At the meeting of the Council on 1 April I undertook to place before you in greater detail the matters which the United Kingdom finds unsatisfactory in its membership of the Community and which we seek to change. In amplification of my statement on renegotiation of 1 April, which remains the basic document on the subject for the United Kingdom, I should like today to give more details of the kind of changes we seek in the policies and decisions of the Community under four main headings.

First the Community Budget – an important matter for us but one which I recognise will raise difficulties for others.

Second the Common Agricultural Policy, where we shall be suggesting major improvements consistent with the broad principles on which the policy is based.

Third the Commonwealth and developing countries, where improvements are necessary in both the trade and aid fields.

Fourth Regional and Industrial Policy, where it is important for us to be certain that the rules of the Community will enable Britain to pursue the effective policies which are required if the British economy is to begin to grow at a rate which will approach the Community average rather than to sink further below it.

There is a fifth question about the future of Economic Monetary and Political Union to which added point has been given by recent events which have affected individual members of the Community. We discussed these matters at our recent meeting at Schloss Gymnich and will be resuming our talks again shortly so I shall not pursue them today, except to say that, as I understand it, the position on these matters is that a great deal of further work and discussion will be required before any further decisions can be taken in pursuit of these general aims. We are very ready to continue with these talks in order that we can all elucidate, in a constructive spirit, what content it may be possible to give to them.

As regards the four issues I shall discuss today you will recall that I said on 1 April that our initial approach would be to seek improvements by way of changes in the Community's policies and decisions in preference to proposing changes in the Treaties themselves. In our preparations for today we have adhered to this approach. In our judgement Ministers will find that the proposals I shall put before you, if accepted, would not require changes in the Treaties, and we shall continue on that basis though of course our reserve on treaty amendments continues to stand.

As regards the current work of the Community we shall continue to co-operate fully in its work as we have done in recent weeks. Of course like other members of the Community, from time to time there will be issues upon which we shall have to put a reserve so as to safeguard our negotiating position but we shall not do so out of a desire to hold up the work of the Community but because genuine differences cannot be reconciled. And we shall play as big a part as anyone in trying to reconcile these differences when they do occur. We all understand that other nations are looking to the Community for decisions on current items of business with which they are concerned and we shall do our best to reach agreements.

I have considered whether we should ask you to handle these issues together in one forum but we believe that it will make for smoother working if we do not ask you to do so. We suggest that different procedures will be appropriate for the different issues that I shall outline. In the matter of the Common Agricultural Policy, we suggest that this should be dealt with in the Agricultural Council. The Development Council will deal with most aspects of aid. Trade matters and, insofar as they need come before Ministers, regional and industrial issues will be dealt with in our own Council. There need be no procedural problems in these cases.

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But the Budget issue is somewhat different. Its handling will require special consideration for it is a most important matter for all of us. It may be that Budgetary problems can be taken on the Agenda of this Council or alternatively in the Finance Ministers Council, whichever seems appropriate.

Naturally, we in the United Kingdom shall be looking at the results of our discussions on these issues as a whole at the end of the process, and therefore it seems to me appropriate that the Council of Foreign Ministers should exercise a general oversight over the issues I am about to describe and that if necessary the Council should be able to give a political impetus to this or that issue if progress seems slow.

If we can proceed in this way the Council would not find that it has to accept any appreciable delay in its normal work in order to deal with these particular issues that are so important to the United Kingdom. It would be our intention to make substantial progress with renegotiation during the remaining months of this year. When I return to London I should like to be able to report to the British Parliament and people that we have agreed that discussion of the matters that I am about to outline will take place in the appropriate machinery of the Community.

One more word before I come to our proposals. My colleagues will have seen that there is no change in the list of the matters we wish to raise. These represent the limits of the problems for renegotiation.

Mr. Callaghan greeting M. Francois-Xavier Ortoli, President of the European Commission, when he came to London recently, at the invitation of the Prime Minister and the Foreign Secretary, for talks on the UK's membership of the European Community.

Community budget

I begin with our views on the Community budget. In recent weeks we have had useful conversations about the impact of the Community budget on the United Kingdom with members of the Commission and with representatives of member governments. We have made it clear why we consider that the impact of the present system is unfair on the United Kingdom and could be unfair to other members. Therefore a solution to the budget problem is central to our objectives in renegotiation.

We also believe that there is here a problem which should concern the whole Community, if it is to be made to work properly. It certainly cannot develop in the way the United Kingdom would like, unless there is progress in the direction of economic convergence between member states. The difficulties are well known and have been aggravated by the impact of the energy crisis. The recent severe economic strains in the Community reflect differences in economic circumstances and performance.

We ourselves in the United Kingdom have also been subjected to such strains; and my government are taking all possible national measures to deal with them. But we are not helped by the present Community budget arrangements, involving as they do an increasing and serious transfer of resources from the United Kingdom to other members of the Community. These will tend to have precisely the opposite effect to that which is required if we are to participate in a gradual convergence of economic growth in the Community. It is wrong in principle and would defeat the objects of the Community if resource transfers under the budget should promote divergence rather than convergence. This is why we believe that our case for fairer treatment presents a real problem for the whole of the Community.

I know that not everybody around this table would be ready to endorse the forecasts which we have made about the impact of the Community budget on the United Kingdom; and indeed I do not ask you to accept our precise figures. What I would ask you to accept is that our figures are a serious estimate, based on realistic assumptions, of the order of magnitude of the burden which the Community budget places on the British economy. It is at least as likely that they will be worse as that they will be better. I am convinced that any other set of assumptions, provided they are realistic, would show that the United Kingdom will be undertaking substantial and increasing resource transfers to the Community during the rest of our transitional period up to 1977 and on a rapidly growing scale afterwards.

To give a few conclusions from our calculations about what will happen if no solution is found, we estimate that the United Kingdom net contribution would be of the order of 300-350 million units of account in 1975, 550-600 million in 1977, and 700-800 million in 1980. This would mean a net contribution of about 3,500 million units of account in the period 1974-80. These are no small sums. To illustrate this point it is worth drawing attention to the fact that during the discussions on the size of the Community Fund for Regional Development, the Community was unable to accept a recommendation from the Commission for a fund of 2,250 million units of account over 3 years for all the members of the Community.

Why is the system likely in this way to produce permanent disadvantages for the United Kingdom? It is because the 'own resources' system was devised to suit a smaller Community made up of countries which are not such large importers as the United Kingdom. It is also because there will soon be a striking contrast between our expected share of Community GDP and our contribution to the Community budget. It is because, notwithstanding our economic position in relation to other members of the Community, we shall have to provide, as we estimate, about 24 per cent of the Community's 'own resources' by 1980.

Some people may say that we are not entitled to claim that the British share of the tariffs and levies which will form the largest part of the 'own resources' of the Community is a 'national' contribution. Therefore they say, questions of equality do not arise. That might be a possible argument if the Community were in a full economic and monetary union, with a central budget responsible for most of the main areas of Government expenditure, and with major resource transfers taking place from the more prosperous to the less prosperous areas. But that is not the position. The Community must take into account that it is real resources from its own citizens which each member state will transfer to the Community under the 'own resources' system. The Community cannot close its eyes to an important factor influencing the way in which the economics of its members move relative to each other.

Recent estimates suggest that by 1977 our share of Community GDP will be about 16½ per cent and by 1980 14 per cent. This is taking account of favourable factors such as North Sea oil, which will be an immense help to our balance of payments as the decade goes on. But it cannot produce a rapid and substantial change in our growth rate. These estimates assume an annual United Kingdom rate growth well beyond the average for the past decade. Compare this 14 per cent share of Community GDP with our expected 24 per cent share of contributions, and the Community is faced with an unacceptable situation.

I have inquired how the Community thought that this problem should be dealt with when it was raised during the entry negotiations. As I understand it, it was argued first that the problem would not be as bad as our negotiators had suggested; and second that the Community would be developing new policies in a number of fields where Community expenditure would be of net benefit to Britain, and that that benefit would come to balance the expenditure on the Common Agricultural Policy, which is admitted to be of greater advantage to other member states. I am not suggesting that there will not be new Community policies. But I ask my colleagues to consider whether there is now any realistic possibility that new Community policies will be developed on a scale which might even begin to balance a British net contribution of 300-350 million units of account in 1975 or 550-600 million in 1977, still less 700-800 million in 1980.

To make this calculation you have not only to say what new policies involving new expenditure are likely to be approved, but to bear in mind that, with the British contribution as high as it will be, the British return from such Community policies would have to be very high indeed for our net receipts to be substantial. I see no possibility of the Council moving in the direction of a Community budget of the size which would be required.

The fact is that, in respect of the Community budget, the negotiated terms of entry were fundamentally inequitable. Experience since then has reinforced that judgement. I now put it to the Council that it is inequitable for the Community that the United Kingdom, with below-average GDP per head, should be obliged to make massive resource transfers to other members of the Community, including those with above-average GDP per head, through the Community Budget; and equally that it is inequitable that the British gross contribution should rise from 13.5 per cent next year to over 24 per cent in 1980 while our share of Community GDP is estimated on the basis of recent forecasts to be 14 per cent in the latter year.

I know that the Council devoted long and arduous work to constructing the 'own resources' system of financing the Community budget and that this system has been approved by the Parliaments of all the member states. I know that the Council would prefer to find a way of dealing with the problem which would not change or overturn the 'own resources' decision of April 1970. We are certainly prepared to consider solutions that would meet the wishes of the Council in this matter. But I would ask that the Council should also meet us. I would remind you that the Community declared to Britain during the course of the entry negotiations that, if 'unacceptable situations' should arise, 'the very survival of the Community would demand that the institutions find equitable solutions'. My Government believes that we have such a situation.

But we also believe that, if the political will to do so is there, the Council could find a number of different ways of bringing about an equitable solution – that is, one which will produce a fair balance of advantage for the United Kingdom as for other member states.

I do not consider that it would be appropriate for me to put forward any specific proposal. But one way of proceeding would be to make a direct adjustment on the expenditure side, which would correct the imbalance to which I have drawn attention. This could be done in accordance with a principle of equity to be agreed in the Community, leaving the method of financing the Community budget untouched. A possible principle might be based on the recognition that a member state with below-average GDP per head should be accorded appropriate treatment in respect of resource transfers under the Community budget. Such a system might avoid the tendency to promote divergence rather than convergence. It could also be self-correcting in the sense that the adjustments required would become smaller as the dimensions of a member state's problem diminished. I recognise that this is not the only way of dealing with the problem; but it would have the great advantage of simplicity – and that could be specially beneficial in handling an issue which is urgent.

I would also like to add that there are two technical points of some importance which arise from an interpretation of the financial arrangements governing the budget and could lead in our view to results which would be adverse to the United Kingdom. We shall want to be sure that these can be resolved in an acceptable manner.

Finally, I would like to stress three points: First, we are not asking for a solution which amounts to a special regime for the United Kingdom alone. Any system should apply to all members. It is in the interest of every country to find a solution that takes account of the economic differences between member states and thus helps to promote economic convergence.

Second, if an essential requirement of our renegotiation is to be met, we must ask the Community to find such a solution, and so overcome the problem of inequity which the budget presents to us.

Thirdly, I have refrained from proposing a solution definite to the Council; but from what I have said it is clear that possibilities exist which could be adopted within the Treaties.

Mr. President, I conclude this section by saying once again that the budget problem is a problem for the Community – and I ask that it should be dealt with expeditiously.

CAP

The criticism of the CAP has been particularly strong in Britain both because we are a large importer of food, and because membership of the EEC has weakened our ties with our traditional suppliers. I would therefore like to indicate the nature of our problems and our broad objectives, leaving to Mr. Peart the elaboration of more detailed proposals in the Council of Agricultural Ministers.

Despite our strong criticisms we recognise that for European farmers the CAP has achieved much, and that, in addition to the benefits it has brought them, it can provide an assurance of supplies at known prices in a world where both price and availability can be unpredictable. The question therefore is whether, without overthrowing the system, British interests as a large consumer can be accommodated to the principles of Community preference, free circulation of goods, and Community financing. Provided some major changes are made, we believe that it would be possible to do so. We recognise that some of the defects of the CAP have been due to factors unrelated to agriculture, such as the complexity of the arrangements that have to be made where currencies within the Community change their relative values.

The major areas in which the United Kingdom wishes to secure improvements are as follows:

(i) First, the cost of the CAP should be reduced in real terms. This calls for the establishment of firm criteria on which price policy is based; and for support mechanisms to be operated and with greater effect. We wish to see agricultural support maintained at realistic levels, and we accept that the aim of the Community should be to produce as much of our food requirements as we can provide efficiently and economically. I emphasize the last part of that sentence as much as the first, for as large importers it is in our interests that prices should be determined with closer reference to the costs of the more efficient producers and to the supply/demand situation for particular commodities. The CAP should aim to gear its policy to the modern farm, as the Commission itself has advocated. Such a policy would create difficulty for special groups of less viable farmers and it would be necessary to consider special provision for them. Indeed, some of their problems might be looked after better in the context of social and regional policy. On another aspect, there should be more recognition in present circumstances of the disparities which actually exist between markets in different parts of the Community. In our view it would be useful on occasion and for particular commodities if there was a right to seek directly a measure of differential pricing. In practice this can occur now as the indirect effect of the systems of compensatory amounts. The exercise of such a right would not be intended to break the principle of common prices: the right would be exercised subject to the normal procedure for reaching agreement during annual price determinations.

A stricter price policy would need to be reinforced by improvements in the intervention and levy mechanisms so as to discourage costly surplus production; by a greater readiness to use direct production aids where it makes financial and economic sense to do so; and by strengthening financial controls and costing in general.

(ii) Next, we are concerned to secure speedy improvements in the marketing regimes for some major commodities. We know that the Commission shares our dissatisfaction with existing operations and we shall take full account of the proposals it will put forward. But there is a need for quick action, as the beef sector is demonstrating at this moment. It does not make sense to take large quantities of fresh beef off the market, freeze it, put it in store then watch the price of the remainder go up, to be followed in turn by a fall in the amount the housewife buys. In the end neither producer nor consumer benefits. We would be ready to consider as an alternative a combination of

measures, such as slaughter premiums related to reasonable market prices, national or Community production aids, and a realistic import policy, which together would reduce the need for intervention to a minimum.

(iii) Finally, I want to stress the importance we attach to the Community's trading relationship with the rest of the world. We recognise that since our earlier criticisms were made three years ago, world prices for most agricultural commodities are much higher than they were then. It is likely (but not absolutely certain) that there will be a closer relationship between Community and world prices than in the past. We can turn this to our advantage for it gives the Community the opportunity to ensure that, whatever the future movement of world prices, the CAP must not become an instrument of excessive protectionism or a threat to world trade through the generation and disposal of surpluses. The changes we propose would do much to ensure that; and to provide for a better balance between the interests of producers, consumers and taxpayers in the Community.

There is a strong case for improved terms of access for many kinds of foodstuffs from countries outside the Community, some of which we do not even produce. This could be done without detriment to Community producers. There is need for a clear commitment to a positive approach in the international trade negotiations now in progress, and we shall put forward our views to the Community as soon as it resumes consideration of the question. More specifically, we also need satisfactory and continuing arrangements for Commonwealth sugar, which provide for adequate access linked to assurances of supply at prices fairly and realistically related to the Community's own price structure. Similarly we shall need satisfactory and continuing arrangements for New Zealand and we would wish to bring forward the review of the arrangements envisaged in Protocol 18 of the Treaty of Accession to the current year. As regards sugar, we remain firmly committed to the offer of access on fair terms for at least 1.4 million tons from the developing countries of the Commonwealth after the CSA expires. We shall be putting forward our proposals on sugar in the discussions about the Community's internal sugar regime and this will have a bearing on the Protocol 22 negotiations, to which I shall come in a minute.

We attach the greatest importance to an early examination of all these important matters with a view to finding adequate solutions. It is our view that everything I have suggested is compatible with the basic principles of the CAP and with the Treaties, and would prove beneficial to everyone in the enlarged Community, as well as to the rest of the world.

Trade and aid

This leads to the question of the trade of Commonwealth and developing countries. The need to offer a fair deal to Community consumers of food as well as to overseas suppliers has important implications both for the developed Commonwealth and the developing world. The problems in this sector fall into five main groups.

The first concerns the **developed Commonwealth countries**. The problems which they face over access to the Community are mainly in agriculture and here I have already outlined our approach. As to tariffs, in the case of a small number of products – for example, some canned goods of importance – we wish to see an extension of tariff quotas. More generally, and as a permanent solution, the Community's detailed negotiating directive for the multilateral trade negotiations now under way should include an offer – subject naturally to reciprocity – to make substantial reductions of the tariff on these products as well as on certain industrial products of some importance to these countries.

The second group are the **associable Commonwealth** countries which under Protocol 22 have been offered the possibility of association with the Community. These negotiations offer the best chance of meeting the interests of these countries, including the interest of many of them in sugar, provided that certain important points are met. For example, I refer to the need for free entry for industrial products, and also to generous treatment of agricultural products, including, if necessary, tariff and levy-free quotas for agricultural products. It is also important that the Community should respect the developing countries' wish to avoid trade reciprocity.

In the discussions that have begun within the Community about the Commission's negotiating mandate we shall seek these objectives.

Then there is the question of **aid**. Here, as my colleague, Mrs. Hart, recently explained to the Development Council, we want an evolution of Community policies which will take into account the needs not only of the associated countries, but of developing countries throughout the world. We look for a more balanced distribution of Community aid according to need and have in mind particularly the countries of South Asia who are among those hardest hit by the increase in oil and commodity prices. I am glad that in this matter the Commission has taken up our proposal and is preparing an aid framework covering possible commitments over the next five years.

We shall wish in addition to see these Asian countries accorded generous treatment through the implementation of the **Declaration of Intent** and through a substantial improvement in the Community's **Generalised Preference Scheme**. I recognise that the Community was the first to introduce a Generalised Preference Scheme, and that some other important countries have not. But the Community's scheme embodies restrictions which greatly limit its practical value to the developing countries and which are difficult to defend at a time when many of these countries face severe balance of payments problems as a result of the increase in oil prices. We must aim at the progressive abolition of these various restrictions over several years, recognising that there will have to be safeguards to deal with cases of material injury or threat of it in one or more Member States and there might have to be special arrangements for textiles. We also need to see the Scheme's coverage extended in the area of processed agricultural products. Further it seems to us unreasonable for India and Bangladesh to be disadvantaged in the United Kingdom market for jute and coir in the period during which the Community tariff is being lowered. And we need substantial improvement in the position of Hong Kong, where at present the United Kingdom has to discriminate against one of its own territories. These issues will be for discussion in the Community's review of the Generalised Scheme of Preferences. But I speak of these today to indicate that a substantial improvement in the present Scheme is necessary, not simply in our own interests but

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as a token of the responsibility which the Community shares for the future of the developing world.

Regional and industrial policy

There is one further question, namely the powers which we require to be able to pursue effective regional and industrial policies. The British Government consider that we require new policies to stimulate industry in order to arrest and reverse our relative industrial decline and these will entail interventionist measures that are systematic and comprehensive. We recognise the value of rules within the Community to ensure that one country, in attempting to solve its own problems, does not create problems for the others; and in strengthening our industrial system we certainly have no intention of damaging the economic and commercial interests of other member states. But we fear that our plans for British industry, including the steel industry, may be hampered by unduly restrictive interpretations of the Treaties; and, as part of the renegotiation, we shall seek assurances that our fears on this score can be set at rest. I would hope that constructive exploratory talks with the Commission can begin as soon as possible to ascertain the impact of the Treaties.

Linked with this is the question of regional aids, which a Working Party convened by the Commission has begun to study. As I said on 1 April, we accept that co-ordination of the rules under which each of us gives and has a useful part to play. We are taking part in the work and we intend to make a full contribution to it. Our objective will be to ensure that the rules take account of the needs of the United Kingdom and of the policies we devise to meet those needs. We are conscious that the regional problems of Member States are different – some are agricultural, some are caused by sheer remoteness and others like our own by changes in industrial structure. The rules must therefore be broad enough in scope to cover all types of aid that may be required. In our experience, they will need to be flexible and capable of modification. It will be necessary from time to time for us to vary the level of aids, the definition of areas. Where particular problems arise, such as steel closures, we may also need to exceed whatever fixed ceilings are agreed. We welcome the Commission's statement that there may be derogations in these circumstances, but the problem may arise in other cases and the new rules should take account of this, as well as of the need to react quickly to particular regional and industrial problems as they arise. These matters are essential to us as an element of the renegotiation. We plan to do this by securing a satisfactory outcome in the Working Party.

General policy

I have outlined the four main issues which we ask the Council to pursue and also have proposed methods for proceeding with them. We believe that our case speaks for itself. Some of the problems we have raised naturally affect us more than they do some other Members. Some other issues could be dealt with and would bring benefit to other members of the Community. But whether they affect us alone or whether they affect the Community as a whole there can be no doubt that they are real problems. None has been manufactured. There is nothing contrived about them. There is a solid case for what we are proposing, and we look to the Community to examine these matters on their merits. In that spirit the United Kingdom will work for an early and successful result for these renegotiations.

I do not understand some of the comments I have heard, not uttered around this table, that we are not in earnest in trying to seek a successful solution. I can only say that if the United Kingdom was negotiating in order to achieve a negative answer and a breakdown I would not go about presenting our case in the thorough way we have chosen, in addition to playing our full part in the ongoing work of the Community and in proposing solutions that can be reached without disrupting the Treaties. If the negotiations are successful and they secure the approval of the British people we shall be ready to play our full part in constructing a new Europe. Once renegotiation is complete, HMG will form a view on whether the needs of Britain have been met. In submitting the results of the renegotiation to the British people, we shall make clear our verdict on what has been achieved.

I fully realise that there is a long way to go before such a decision can be taken but we shall accept our responsibilities in this matter.

In April I referred to our readiness to intensify political consultation and co-operation provided that we could agree on our main aims. One of the issues I had in mind was the question of European/American relations. It seems to me that there is some hopeful evidence following the useful exchanges which we had at Schloss Gymnich that we shall now be able to proceed with our work in a way which will promote steadily improving European/American relations. Consultation, co-operation and co-ordination between Europe and the United States should be as natural as breathing. In our view it is essential. It remains our objective. What is happening in this field encourages us to go further in these matters, not only with the United States but with other countries and regions too. In a world which is grouping itself increasingly into regions it cannot be disadvantageous for Community members to discuss among themselves how they can act together in the world in political as well as in economic matters. We adhere to the view that some of the most important matters in the world will only be solved in a world context but the Community if it is properly organised has the capacity to contribute to the solution.

To sum up, the Community is at the crossroads in its history. The problems raised by Britain today are only one of a number of issues that cloud the Community's future. Quite distinct and separate from the problems I have been discussing is the feeling that there exists among Community members a diminished unity of purpose, a growing divergence in our economies and a readiness to seek nationalist solutions to problems that demand common and joint action. All these things make me fearful for the future welfare of our people. The countries that make up the Community need to make a fresh start, and this can be done if all the partners in the enterprise feel that their difficulties are understood, their case for changes is recognised and remedied and that the Community can respond to their needs. I have no doubt that this can be done if the will exists. Let us together put these matters right and when we do then the Community will be once again strengthened to play a constructive part in the affairs of Europe and in bringing its influence to bear on the problems of the world.

European Commissioner visits London

European Commissioner Carlo Scarascia-Mugnozza chatting to Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, during a recent visit to London. Signor Scarascia-Mugnozza's responsibilities include consumer affairs.

The Commission's Preliminary Programme for Consumer Information and Protection, on which the Council of Ministers is scheduled to reach a decision by 1 July 1974, was outlined in an article in the May 1974 issue of *European Community Commentary.*

Italy: the import deposit scheme

The import deposit scheme which Italy introduced last month has been the subject of urgent debate within the Community. In the following we give an outline of the scheme and consider some of the implications for UK trade.

The scheme

Under the scheme importers are obliged – before clearing any imports through Customs – to lodge with the Banca d'Italia, or one of its authorised agents, a non-interest deposit equal to 50 per cent of the cif value of the goods. Where the value of the goods differs from the cif value, the amount of deposit is equal to the declared value plus 7 per cent. The deposit is for a six-month period.

With the following exceptions, all goods are subject to the scheme:

i) raw materials;
ii) energy products;
iii) some investment goods;
iv) consignments whose value is less than Lira 1 million (about £650).

Italy is, of course, a Member State of the European Communities, and the Italian Government informed both the European Commission and the GATT in advance of their intended measures. As a result the Commission have approved the measures, subject to qualifications. The Commission are to review their effect before 31 July and to have a second examination before 31 October, and they have also committed themselves to fixing a terminal date for the authorisation, in so far as it affects agricultural products, though no date has yet been actually decided on.

The GATT has set up a Working Party, chaired by the Ambassador for New Zealand, to study the import deposit system and its consequences, in consultation with the IMF. The Working Party was to meet for the first time on 7 June, but it is understood that a report by IMF will not be available until July.

The effects of the scheme on UK trade

Italy has said that (on the basis of British experience with a similar scheme from 1968 to 1970) it expects its total imports to be reduced by something of the order of 1½ to 2 per cent. Given that the terms of the deposit scheme are the same as those of the UK's, that it covers 45 per cent of imports as opposed to the UK scheme's 35 per cent coverage, and that much of the extra 10 per cent reflects the inclusion of foodstuffs with a low price elasticity of demand, a reduction in the range 1 to 1½ per cent may be more likely. A saving of 1½ per cent is of the order of $600 million, or less than a sixth of Italy's forecast non-oil current deficit in 1974.

It has been estimated on the basis of 1973 trade figures that, because of different commodity composition, the Italian scheme affects about 55 per cent of UK exports to Italy, as compared with 45 per cent of Italy's total imports. And given that the UK's exports are also in categories of higher price elasticity, they might be reduced by 1½ per cent for every 1 per cent reduction in Italy's total imports. There are, however, wide uncertainties. In addition to the direct effect of the surcharge, some allowance must be made for the effect of such schemes in reducing domestic liquidity, and hence the level of aggregate domestic demand.

It is Italian policy to prevent credit restriction becoming so severe as to impinge on fixed investment. It seems likely therefore that traders will one way or another be able to find the necessary finance, provided they are satisfied that the price will bear the necessary interest cost.

The Italian Government will, it is understood, permit exporters in EEC countries to lend, without special authorisation, up to 250 million lire to Italian importers to cover the import deposit. Responsibility for repayment and payment for the goods rests with the importer, and the Italian negotiating bank or the Banca d'Italia will not accept this responsibility or provide any guarantee. Extended credit terms may also be offered.

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The following Government offices provide services for UK exporters:

Headquarters

Export Services and Promotions Division
Export House, 50 Ludgate Hill, London EC4M 7HU
Tel. 01-248 5757. Telex 886143 DTI EXPORT LDN

Regional

Office for Scotland
314 St. Vincent Street, Glasgow G3 8XF
Tel. 041-248 2855. Telex 77583 DTI GLASGOW

Inverness District Office
Caledonia House, 63/67 Academy Street, Inverness IV1 1LU
Tel. (0463) 30867

Office for Wales
Government Buildings, Gabalfa, Cardiff CF4 4YL
Tel. (0222) 62131. Telex 49267 DTI CARDIFF

Yorkshire and Humberside Regional Office
City House, New Station Street, Leeds LS1 4JQ
Tel. (0532) 38232. Telex 557470 DTI LEEDS

Northern Regional Office
Wellbar House, Gallowgate, Newcastle upon Tyne, NE1 4TR
Tel. (0632) 27575. Telex 53178 DTI NTYNE

Cumberland and Westmorland District Office
Town Hall, Cockermouth, Cumberland CA13 9NP
Tel. (090-082) 3498/9. Telex 64173 DTI COCKERMOUTH

North-Western Regional Office
Sunley Building, Piccadilly Plaza, Manchester M1 4BA
Tel. 061-236 2171. Telex 667104 DTI MCHR

West-Midlands Regional Office
Ladywood House, Stephenson Street, Birmingham B2 4DT
Tel. 021-632 4111. Telex 337021 DTI BHAM

East-Midlands Regional Office
Cranbrook House, 47 Cranbrook Street, Nottingham NG1 1ES
Tel. (0602) 46121. Telex 37143 DTI NOTTM

South-Western Regional Office
The Pithay, Bristol BS1 2PB
Tel. (0272) 291071. Telex 44214 DTI BRISTOL

Northern Ireland Department of Commerce
Chichester House, 64 Chichester Street, Belfast BT1 4JX
Tel. (0232) 34488. Telex 747025 GOVNI BELFAST

Parliamentary committees will scrutinise Community legislation proposals

On 7 May 1974 both Houses of Parliament passed resolutions setting up committees which will examine Commission proposals for Community legislation. Below we outline the basic stages of the Community's legislative process, and give details of the Committees' terms of reference and membership.

The Community's legislative process

The basic framework of European Community law is set out in the Treaties which established the Communities. The legislation *actually embodied* in the Treaties is generally referred to as Primary Legislation; that *derived* from the Treaties (ie, the detailed instruments by which the Treaty's provisions are implemented) has become known as Secondary Legislation.

The Regulation, the Directive and the Decision are the three main instruments of Secondary Legislation under the EEC and Euratom Treaties*:

The *Regulation* – the most commonly used instrument – is binding in its entirety and has the effect of law in each Member State without requiring action on the part of the National Parliaments. Most Regulations deal with agricultural prices and levies, tariffs and free movement of goods.

The *Directive* is 'binding as to the result to be achieved', but it is left to the individual Member State to decide how to achieve the result; ie, it is up to the Member State to amend its laws or administrative practice to bring them into line with Community law. The Treaty of Rome specifically prescribes the use of the Directive as the means for implementing various of its Articles.

The *Decision* is usually employed to cope with a specific problem; ie, it may be directed to an individual, a company or a single Member State, but not to the Community as a whole.

The preparation and adoption of Council instruments of Secondary Legislation involve various stages:

The preparatory work on the proposals to be covered by the instrument is done in the Commission by the staff of the relevant Directorate-General. The Commission is under no obligation to consult Member States or any outside interests in the preparation of draft legislation, but in practice there is wide consultation at this stage. It can take anything from weeks to years for the proposals to reach the decision-taking body of the Community – the Council of Ministers.

Once the draft legislation is submitted to it, the Council, where appropriate, seeks the opinions of the European Parliament and the Economic and Social Committee. At this stage the proposals are usually (invariably when referred to the European Parliament and Ecosoc) published in the 'C' Series of the *Official Journal of the European Communities*. The normal procedure is for the proposals then to be considered by the Committee of Permanent Representatives (Coreper), though, if the proposals are specialist or technical, they are studied in specialist committees of the Council by civil servants from the Member States and then referred back to Coreper. Finally the Council of Ministers, taking all views into account, reaches a decision on the draft legislation before it.

The Commission remains closely associated with its proposals right up to the final meeting of the Council of Ministers, and it has the right to amend them at any time before their adoption by the Council. Once adopted, the instruments are published in the 'L' Series of the *Official Journal*, and publication constitutes promulgation. The time the proposals spend at the Council stage, like that involved in their preparation, varies enormously: years can elapse (in some cases, proposals are never adopted) or the whole procedure can be completed very quickly.

The Parliamentary committees

The House of Commons and House of Lords Select Committees on European Secondary

continued over page

*** Under the European Coal and Steel Community Treaty the position is substantially the same, but ECSC Decisions correspond to both Regulations and Decisions in the EEC/Euratom sense, and ECSC Recommendations correspond to EEC/Euratom Directives.**

Terms of reference and membership of the Parliamentary committees

Terms of reference

The Lords Committee
To consider Community proposals, whether in draft or otherwise, to obtain all necessary information about them, and to make reports on those which, in the opinion of the Committee, raise important questions of policy or principle and on other questions to which the Committee consider that the special attention of the House should be drawn.

The Commons Committee
To consider draft proposals by the Commission of the European Economic Community for secondary legislation and other documents published by the Commission for submission to the Council of Ministers, and to report their opinion as to whether such proposals or other documents raise questions of legal or political importance, to give their reasons for their opinion, to report what matters of principle or policy may be affected thereby, and to what extent they may affect the law of the United Kingdom, and to make recommendations for the further consideration of such proposals and other documents by the House.

Members

The Lords Committee
Chairman: Lord Diamond
Earl of Dudley
Earl of Lauderdale
Earl of Selkirk
Lord Bethell
Lord Champion
Lord Drumalbyn
Baroness Emmet of Amberley
Lord Fulton
Lord Hale
Lord Hill of Luton
Lord Lloyd of Hampstead
Lord Lloyd of Kilgerran
Lord Mais
Lord Rhodes
Baroness Serota
Lord Walston
(Clerk: M. A. J. Wheeler-Booth)

The Commons Committee
Chairman: Mr. John Davies
Mr. Ronald Bell
Mr. Peter Blaker
Mr. Tam Dalyell
Mr. Denzil Davies
Sir Geoffrey de Freitas
Mr. Douglas Jay
Mr. Russell Johnston
Mr. David Knox
Mr. Edward Lyons
Dr. J. Dickson Mabon
Mr. Peter Mills
Mr. Ian Percival
Mr. John Roper
Mr. Julius Silverman
Mr. David Waddington

(Clerk: J. R. Rose)

Legislation issued their Second Reports late in 1973. The main recommendations (the reports were unanimous) were that a committee be set up in each House to scrutinise draft proposals for EEC legislation; that additional Parliamentary debating time be allocated to Community affairs; that proposals deemed urgent be debated automatically within two weeks of their being reported as such; and that Ministerial responsibility for Community matters be identified more clearly.

The last Administration accepted the recommendation in favour of setting up the 'sifting' committees, but the precise form of the committees was still under consideration when Parliament was dissolved in February. Soon after taking office the present Government announced that it regarded the introduction of such committees as essential and that discussions to establish a committee for each House were to be started immediately. On 7 May both Houses passed resolutions setting up the committees. The Lords committee (the 'European Communities Committee') met for the first time on 8 May, and the Commons committee on 14 May.

The two committees will act essentially as Parliamentary watchdogs. They will examine Commission proposals for Community legislation at a stage when Westminster can bring its arguments to bear before decisions are made in Brussels, and they will define the issues in any particular piece of Secondary Legislation which in their view should be drawn to the attention of Parliament. Both committees have power to appoint sub-committees, to take evidence from outside bodies, to appoint specialist staff, and to report to the House as required. Any peer or MP can participate in their deliberations, though only appointed members can vote.

Article 100 Directives on labelling of dangerous substances

by P. Cureton, Factory Inspectorate, Department of Employment

The acceptance by governments of responsibility for consumer and environment protection, and for ensuring the safety and protecting the health of people at work and elsewhere, has led to a whole mass of legislation governing the conditions under which goods may be put on the market. If the technical requirements laid down in this legislation differ from one country to another, or if the method of enforcement is such as to make life more difficult for importers, there arises what the EEC calls a 'technical barrier to trade'. The Community is working steadily towards eliminating these barriers by 'harmonising' legislation covering particular products or product sectors so as to ensure that the same requirements apply in each Member State. The attack is based upon Article 100 of the Treaty of Rome, and the measures taken are implemented by means of Directives issued under that Article.

In the following, the author discusses the action which the Community has taken on the labelling of dangerous substances.

The background

Chemical substances are being used in ever-increasing numbers in our industrialised society, and many situations can be envisaged in which lack of precise information on their characteristics, and on the hazards which might be associated with them, could lead to incorrect handling or hinder action in an emergency. Labelling alone does not provide the solution, particularly in industrial situations, but it can help considerably to reduce the risks, for clear and concise labelling would enable the main hazards to be immediately identified.

Internationally agreed rules for labelling materials while they are being transported have been in operation for many years, but action on labelling for storage and use has lagged behind. However, important early work in this field took place in the 1950s in the Council of Europe, culminating in 1962 in the first edition of the book, **Dangerous Chemical Substances and Proposals Concerning Their Labelling,** which has become known generally as the **Yellow Book.** Individual firms and trade associations in several European states have drawn up their own labelling systems on the basis of the Yellow Book. However, the book's recommendations are not mandatory, and there was clearly a danger that schemes would proliferate in different countries which would constitute further hazards in themselves as well as barriers to trade: a uniform and consistent labelling system is essential if people are to be trained to recognise hazards and take the necessary action in sufficient time.

Community action

Recognising these problems, the European Commission decided to use the Yellow Book work as a basis for an Article 100 Directive on the labelling of dangerous substances during storage and use in the Member States of the Community. A first Directive, adopted in June 1967, was virtually identical to the recommendations contained in the first edition of the Yellow Book. It was entitled **The Classification, Packaging and Labelling of Dangerous Substances**[1].

The Directive was amended three times on minor matters prior to the UK's entry into the Community. On a fourth amending Directive, prepared during 1971/72, the UK and the other Acceding States were consulted. It was approved in principle in December 1972, with the full support of the three Acceding States, all of whom had participated in the development of the Yellow Book principles. A second Directive, dealing with the labelling of mixtures of solvents, mainly for use in industry, and prepared over the same period, was also approved in December 1972. Both Directives have since been formally adopted by the Council of Ministers and published in the *Official Journal*[2, 3].

Work is now in progress on three further Directives based on the parent 'Substances Directive'. They will be concerned with the labelling of, respectively, pesticides, household products, and paints, varnishes and similar products, and will thus extend to consumer goods (in contrast to the first two Directives, which are concerned mainly with industrial materials). The Commission timetable for adoption of these Directives is set out in the Industrial and Technological Policy Programme. The Directives on paints and varnishes and on pesticides are due to be adopted by 1 January 1976, and that on household products by 1 January 1977.

Amendments to the adopted 'Substances Directives' are also in preparation, and these, in turn, will necessitate amendments to the 'Solvents Directive'. However, the latter already contains some improvements on the former, and a Proposal for a fifth amending Substances Directive, which attempts to bring the Substances Directives into line with the Solvents Directive, has already been presented to the Council of Ministers[4] and may be finalised and adopted fairly soon. Further refinements to the text of the Substances Directives are necessary, however, and it is hoped that they can be prepared fairly quickly. If there is insufficient time to add them to the draft fifth amending Direc-

[1] Directive 67/548/EEC. The English authentic text was published in a translation of the *Official Journal* SE, 1967, pp. 234-256. (Photocopies are available from HMSO, but pp. 235 onwards have been superseded by later amendments.)

[2] Directive 73/146/EEC, published in *Official Journal* L167 of 25.6.73, pp. 1-128.

[3] Directive 73/173/EEC, published in *Official Journal* L189 of 11.7.73, pp. 7-29.

[4] The Proposal was published in *Official Journal* C92 of 31.10.73, pp. 8-9.

tive, they will probably be incorporated in a sixth amending Directive.

The technical annexes to the Directives will also need to be continually revised 'in the light of technical progress', but this will be done by a simplified procedure (the 'technical progress procedure') rather than through the full Council machinery for amendment of Directives. It is hoped that the first work of the Technical Progress Committee on the Substances Directives will be the revision of the annexes of the Directives to comply with the fourth edition of the Yellow Book which is now nearing completion in the Council of Europe.

Other improvements to the Substances Directives will probably be concerned with matters which will need a much longer time scale for resolution; in particular, to satisfy, if possible, the need for a universal, internationally agreed labelling system for transport, storage and use. This need is recognised by the Community, but a solution to the problems will probably take many years to work out in the various international bodies dealing with labelling. The hazards of transport are often different from those involved in storage and use, and in the case of some chemicals this has led to the development of systems of classification which differ significantly from one another. There is also the sheer physical problem of fitting all the information required for the various sets of circumstances on to one label. Progress in this field will therefore be slow, but in the meantime the EEC Directives will contain provisions exempting bulk containers from carrying two sets of labels, thus avoiding dual labelling. In any case, the symbols used in the UN transport system are the same as those used in the EEC system, and the main apparent difference to an observer lies in the background colour and shape of the labels. The EEC labels also contain safety phrases which are essential for storage purposes, whereas the transport system relies almost entirely on symbols to get its message across.

The Yellow Book

The principles of the Yellow Book may be summarised briefly as follows. To each substance one or more of the following broad classes of risk is assigned, denoted by the letters E, T, C, P, O, Xn and Xi, respectively, and by the appropriate international symbols, printed in black on an orange yellow background: explosive, toxic, corrosive, flammable, oxidising, harmful and irritant. Not more than two symbols are assigned to each chemical, according to rules of precedence (which will probably be spelt out explicitly in the fourth edition of the Yellow Book, together with the criteria used for classification). Additional risks not covered by symbols, together with precautions to be taken in handling or in an emergency, are indicated by risk and safety phrases which are specified for each chemical from common lists. At present, there is a large number of phrases for each chemical, but the Council of Europe Committee working on the fourth edition of the Yellow Book is to reduce the number to a maximum of six per chemical for the great majority of cases.

Implementation of the Directives

The situation on implementation of the EEC Directives is that each Member State is likely, under appropriate enabling powers, to introduce Regulations requiring manufacturers or others marketing dangerous substances to label them in accordance with the Directives. So far, only France, Germany and Belgium have such Regulations in operation implementing the 1967 Directive. The Belgian Regulations include the amendments of the fourth amending Directive and also the requirements of the Solvents Directive, but the other Member States are unlikely to meet their strict deadlines on these Directives. The three new States – the UK, Ireland and Denmark – have been given till mid-1976 to implement the Substances Directives and the Solvents Directive.

Lastly, a word on the Whitehall arrangements for co-ordinating UK action on the Directives. The Department of Employment (HM Factory Inspectorate) has accepted policy responsibility for the Substances and Solvents Directives, and also for the draft Paints Directive, since these will apply mainly to industrial activities (although there is also a major consumer interest in the draft Paints Directive). MAFF and Home Office are responsible for, respectively, the draft Directives on pesticides and household products. All these Departments are in close contact with one another and with the Departments of Health and Social Security and of Industry, in view of their overlapping interests and the dependence of the Directives on one another. Consultation lists have been established for each of the Directives which, it is hoped, include the major manufacturing and user interests. Firms are therefore asked to check with their own trade association before requesting information on the Directives directly from the Departments concerned.

The Community's Business Co-operation Centre

Community firms seek British business partners

The Commission of the European Communities set up the Business Co-operation Centre last year to encourage co-operation between firms in different Member States wishing to increase competitiveness and respond to the opportunities opened up by access to the Community's markets. Co-operation is defined as the pooling of one or more activities of the partner firms; for example, in research and development, supplies, production, marketing and sales and management.

A firm seeking the Centre's help will be asked to provide certain information about itself, and to define exactly what type of partner and what type of co-operation it wants. Armed with this information, the Centre will then search its files for a suitable partner, and, if the application cannot be matched with an offer already registered, will, if the firm agrees, circulate with no names mentioned a summary of the firm's requirements to the 'correspondents' which it has in every country of the Community.

It is as one of the Centre's correspondents in this country that we reproduce the latest batch of requests for co-operation below. Readers wishing to obtain further information should write direct to the Centre at the following address, quoting the reference number of the request(s) in which they are interested: Business Co-operation Centre, 15-17 rue Archimède, B-1040 Brussels. The Centre makes no charge for its services. All inquiries are treated as strictly confidential, and no names are revealed without the agreement of all parties.

Reference BRE/1620/32
German engineering works producing Diesel locomotives, Diesel-hydrostatic trolleys for overhead monorails, spare parts for locomotives and mining equipment (mainly for use underground), and cleaning equipment with high and maximum pressure pumps for all industrial cleaning purposes; turnover DM10 million (25 per cent in exports); 170 employees; seeks co-operation with British-based medium-heavy engineering firm of at least the same size at production level, with possibility of manufacturing spare parts under licence and/or on a subcontract basis and offers capital participation in the firm. Languages: German, English, French.

Reference BRE/1769/344
German manufacturer of radio telephones and measuring instruments (new lines), and

of world-famous bullet-proof vests; also authorised agent for foreign firms and supplier of turn-key radar and sonar equipment and measuring instruments to industry and to the Federal German Army, Navy and Air Force; turnover DM6 million; 100 employees; three branches in Germany and a subsidiary in Switzerland; with desirably located modern plant suitable for expansion; seeks contact for expansion purposes with British, French or Dutch manufacturers engaged in the fields of nuclear engineering, electro-medical apparatus, data processing, transmission and receiving apparatus, radar and sonar equipment, and with servicing firms in these fields; prepared to cede a holding of up to 48 per cent in the undertaking.
Languages: German, English, French.

Reference BRE/138/41-42
State-sponsored Irish company with a turnover of £33 million; 3,700 employees; engaged in a programme of diversification through link-ups with foreign partners; activities covering a wide variety of foodstuffs, agricultural engineering products, trading and other activities based on agriculture; seeks joint-venture co-operation (the skills, labour, production facilities, research and development being contributed by Ireland and the marketing strengths coming from the potential partner); output probably agricultural-engineering or light-engineering products, processed foodstuffs, finishing and packaging of pharmaceutical products or products based on fermentation; licensing considered in certain circumstances; co-operating firm would be keen on using Ireland as a basis for EEC expansion, or as a basis for entry to the UK market.
Languages: English (French and German in special circumstances).

Reference BRE/1973/343
Italian constructor of industrial furnaces, particularly electric induction-melting furnaces (own patent) for the metallurgical industries; turnover 4,000 million lire; 250 employees; joint ventures in France, Spain, Brazil, India, South Africa; exporting to USA and Eastern Europe; seeks British partner with production and marketing capacities in industrial furnaces, staff not exceeding 150, with a view to setting up a 50/50 joint company for production and sales of induction furnaces for the UK, Ireland and Commonwealth market.
Languages: Italian, English.

Reference BRE/992/50
German firm of building developers (owner-occupied dwellings, single and multiple family dwellings, terraced houses, bungalows, investment properties, office and business premises, housing estates and urban development); turnover DM90 million; staff of 60; seeks co-operation with similar- or smaller-sized EEC firms specialising in same or related field, also building construction firms interested in joint construction projects.
Languages: German, English, Italian, Dutch.

EEC – your questions answered

Below we publish answers to some of the questions which businessmen put to the Department of Industry's EEC Information Unit in the past month.

If your company is finding difficulty in obtaining information on a particular aspect of trade with other Member States of the Community, you should contact the Unit. A telephone call will result in either an immediate answer to your inquiry or a reference to a source from which help can be obtained.

The address is: EEC Information Unit, Department of Industry, 1 Victoria Street, London SW1H 0ET. Telephone: 01-222 7877, Ext. 5377/3579. (From 24 June 1974 the telephone extension number will change to 4301 – six lines.)

Q. I shall shortly be engaged on a sales promotion tour for my company which will involve travel to all countries of the European Community. Will I be eligible to claim free medical treatment during my period abroad?

A. Under EEC Regulation 1408/71 citizens of the Community who are travelling in other Member countries and whose condition necessitates immediate medical treatment are entitled to such treatment on the same basis as nationals. In effect this means free treatment in the UK, the Irish Republic, Italy, Denmark, Germany and the Netherlands, and a refund of at least 70 per cent of the cost of treatment in France, Belgium and Luxembourg. The provisions of the Regulation apply to people working for an employer and their dependants, old age pensioners, widows and unemployed people seeking work. They do not apply to self-employed persons and their dependants, but in Denmark all UK nationals are entitled to medical treatment under a bi-lateral agreement.

United Kingdom citizens who are eligible and intend to visit an EEC country other than Denmark and the Irish Republic for a business trip or on holiday should apply to an office of the Department of Health and Social Security for **Form CM1,** which they should complete and send to the local office nearest to their home address. They will then receive another form – **Form E111** – entitling them to medical benefits. In Denmark treatment is provided on production of a UK passport, and in the Irish Republic visitors will be asked to sign a simple statement.

It is essential that travellers should have Form E111 in their possession when they go to the countries which require it. In some countries they will receive treatment from a doctor or hospital after producing E111 beforehand to the appropriate insurance institution which administers social security benefits in that area. In others it is necessary to pay the doctor or the hospital, and then recover the cost or part of the cost by presenting the form and payment receipts to the insurance institution.

Further information is given in **leaflet SA 28** which can be obtained from any local office of the Department of Health and Social Security.

If frequent trips are made abroad, an E111, valid for a period of six months, can be obtained on application to the Department of Health and Social Security, Overseas Group, Newcastle-upon-Tyne NE98 1YX.

Q. I understand that a single movement certificate can now be used for trade between the EEC and any EFTA country. Where can I obtain details?

A. A single new form – **Form EUR.1** – has been introduced to replace all the existing movement certificates used in trade with the EFTA countries, viz:

A.OS.1	Austria
A.SF.1	Finland
A.IS.1	Iceland
A.N.1	Norway
A.P.1	Portugal
A.S.1	Sweden
A.CH.1	Switzerland
A.W.1	all EFTA countries

Guidance notes on how the new certificate should be completed are contained in **Customs Notice 810A,** and details of the rules governing preferential trade between the EEC and the EFTA countries are given in **Customs Notice 810.** Copies of form EUR.1 and both Notices mentioned above can be obtained from any Custom House or Office of a Collector of Customs and Excise in the UK, or from the Secretary, HM

Customs and Excise, Kings Beam House, Mark Lane, London EC3R 7HE.

No further supplies of the old-type certificates will be issued by Customs, but they continue to be valid, and exporters having stocks of these forms are at liberty to use them up. As regards imports from EFTA countries, the old-type certificates will continue to be accepted by Customs until further notice.

The EUR.1 is for use in trade only with the EFTA countries at this stage, but its application will be extended to EEC preferential agreements with certain Mediterranean countries in due course. Further announcements will be made when appropriate. It does not apply to trade with Denmark.

Use of Form EUR.2 for postal consignments not exceeding 1,000 UA (approximately £420) is unaffected.

Q. Some of our company representatives travel round Europe by car. We understand there have been changes in the Green Card insurance we use at the moment. Could you explain the changes?

A. Since 1 January 1974 all UK motor insurance policies have been extended in scope to include the minimum legal cover required for motor insurance in any other Member State of the Community. British Insurers have recently widened this provision further to apply to the non-Community countries of Sweden, Norway, Switzerland, Austria and Finland. Although this is not a legal requirement, it is possible that other countries may be included in the future.

Although British motorists can now enter any of these countries without checks being made on their insurance documents, the Green Card remains an internationally recognised proof of insurance.

Motoring organisations and the British Insurance Association advise that a Green Card or, at least, a British Insurance Certificate would still be invaluable in the case of accidents or other matters that involve the police. It should be remembered also that these new arrangements provide only the minimum legal cover required by the national laws of the countries being visited. You should therefore consult your insurers about the most appropriate cover before your representatives embark on any journey abroad. If you have cover over and above the legal minimum in your policy – for example, against 'own vehicle' damage – and want to continue this in respect of journeys abroad, a Green Card will still be necessary as evidence of this extension.

Economic Indicators of the EEC

These tables have been prepared for the convenience of users who do not have access to the sources themselves; international publications (as indicated) have been used, supplemented by later reports where possible. In addition to the Member States of the EEC, the United States and Japan have been included for comparison.

The form of presentation adopted – indicators by subject – is for convenience only, and it must not be assumed that the indicators in the same table for different countries are strictly comparable. An attempt has been made to indicate major differences of definition, but the coverage and methods of collection vary considerably; this is partly due to different administrative procedures in various countries. Fuller details may be obtained from the sources indicated, and from the national publications of the countries concerned.

An extensive bibliography – 'Sources of Statistics: 2. The European Economic Community' – which lists publications in the Statistics and Market Intelligence Library of the Department of Trade, is obtainable on request to the library at Export House, 50 Ludgate Hill, London EC4M 7HU (Tel: 01-248 5757, ext. 368). 'Statistical News' No. 21 (May 1973), published by the Central Statistical Office, contains a selected bibliography of statistical publications of the Commission of the European Communities.

TABLE 1 Industrial Production (Excluding construction) Seasonally adjusted — Indices 1970 = 100

	Belgium	Luxembourg	France[1]	German F.R.	Ireland[2]	Italy[4]	Netherlands	United Kingdom	EEC[3,4]	*United States*	*Japan*
Weights in EEC	3.8	0.3	23.5	36.5	0.7	12.6	4.4	18.2	100.0	—	—
Weights in total	1.5	0.1	9.0	14.0	0.2	4.9	1.7	7.0	36.4	*48.4*	*13.1*
1968	88	88	84	83	90	91	81	96	87	*99*	*74*
1969	97	100	94	94	97	94	91	100	95	*104*	*88*
1970	100	100	100	100	100	100	100	100	100	*100*	*100*
1971	103	99	104	102	105	100	107	100	102	*100*	*103*
1972	109	103	115	106	109	104	116	102	108	*108*	*110*
1973	115	115	124	114		114	125	111	116	*118*	*130*
1972 1st quarter	107	97	112	103	107	103	113	97	105	*103*	*106*
2nd quarter	109	102	113	105	106	104	115	102	107	*107*	*108*
3rd quarter	107	104	116	105	109	102	116	103	108	*109*	*111*
4th quarter	114	108	120	110	114	108	120	106	112	*113*	*116*
1973 1st quarter	115	115	121	113	121	105	122	110	114	*115*	*124*
2nd quarter	114	112	123	114	119	115	123	110	116	*117*	*128*
3rd quarter	114	114	126	113	118	118	125	111	117	*119*	*131*
4th quarter	118	120	126	116		117	129	110	118	*119*	*135*
1974 1st quarter			128			119		102		*117*	*132*
1973 January	115	109	120	112		105	122	108	113	*115*	*122*
February	115	116	121	116		104	123	111	115	*116*	*122*
March	114	118	120	113		104	121	112	114	*116*	*127*
April	114	111	119	114		112	123	109	114	*116*	*126*
May	117	113	125	113		114	123	109	116	*117*	*129*
June	112	112	125	114		118	123	110	117	*118*	*129*
July	113	115	127	109		120	122	111	116	*119*	*129*
August	115	114	127	115		117	126	110	116	*119*	*131*
September	114	115	124	116		118	127	111	118	*119*	*132*
October	116	116	126	115		118	130	112	118	*119*	*135*
November	123	126	127	116		117	129	111	119	*119*	*136*
December	116	117	123	116		117	128	106	117	*119*	*134*
1974 January		125	128	114		124	129	99	116 (e)	*118*	*134*
February		128	128	117		118 (e)	131	102	118	*117*	*133*
March			127 (e)			115 (e)		105		*116*	*130*
April										*117*	
% change latest three months:											
On previous three months	+3.5	+3.6	+1.6	nil	−0.8	+1.7	+0.5	−7.3	−1.1	*−1.1*	*−2.2*
On a year earlier	+3.5	+10.4	+5.8	+2.4	+8.3	+13.3	+5.4	−7.3	+2.9	*+0.6*	*+6.5*

[1]Excluding clothing, wood products and furniture.
[2]Revised figures for Italy from beginning of 1973.
[3]Mining and manufacturing only.
(e) Estimated
[4]Excluding Denmark.
Source: 'OECD Main Economic Indicators'

TABLE 2 **Unemployment** seasonally adjusted

Indices 1970 = 100

	Belgium[1,2]	Den-mark[1,3]	France[2,4]	German F.R.[5]	Ireland[1]	Italy[6]	Nether-lands[2,5]	United Kingdom[5]	*United States*[6]	*Japan*[7]
1968	147	163	97	218	88	113	147	95	*69*	*108*
1969	120	129	85	120	86	108	115	94	*69*	*104*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	100	125	129	126	100	100	135	129	*122*	*111*
1972	123	126	145	166	114	114	235	142	*118*	*119*
1973	130	85	150	199	104	109	239	102	*105*	*107*
1972 1st quarter	114	139	142	143	114	106	207	149	*123*	*119*
2nd quarter	120	140	146	181	114	113	254	147	*120*	*120*
3rd quarter	125	124	148	192	117	121	265	141	*118*	*122*
4th quarter	130	101	145	176	114	117	237	132	*113*	*117*
1973 1st quarter	125	41	140	141	107	107	220	117	*108*	*110*
2nd quarter	127	107	144	187	103	133	263	106	*106*	*108*
3rd quarter	132	101	158	214	106	100	259	99	*105*	*108*
4th quarter	133	92	161	254	102	96	233	86	*104*	*102*
1974 1st quarter	130		164	258		86	238	96	*115*	
1973 January	125	50	141	131	110	107	202	124	*107*	*111*
February	125	29	139	142	107		217	117	*109*	*108*
March	125	43	139	150	105		239	112	*107*	*110*
April	127	132	143	179	102	133	259	108	*108*	*107*
May	127	83	143	189	102		263	107	*106*	*110*
June	128	105	145	194	105		270	104	*105*	*108*
July	131	107	153	207	105	100	257	102	*103*	*107*
August	131	98	157	216	105		265	99	*103*	*110*
September	134	99	163	219	107		257	95	*108*	*106*
October	137	90	161	237	102	96	248	90	*100*	*106*
November	132	93	159	252	102		235	86	*104*	*104*
December	131	93	162	274	102		217	83	*107*	*96*
1974 January	130	78	164	228	105		222	94	*116*	*105*
February	131	39	164	252	105		233	97	*116*	*105*
March	130		162	295		86	260	96	*113*	
April				270 (e)				96	*111* (e)	
Rate %	2.3		2.0	1.5		2.7	2.5	2.1	*5.2*	*1.0*
% change latest three months										
On previous three months	−2.2	−25.5	+1.8	+8.4	+0.1	−10.0	−2.1	+9.9	*+10.6*	*−3.1*
On a year earlier	+4.0	+19.2	+17.1	+73.4	−5.7	−19.6	+8.2	−14.2	*+6.5*	*−7.3*

Note: Figures of total unemployment and unemployment rates are very sensitive to the particular measures used and the sources from which they are obtained. The figures in this table to a large extent reflect the different administrative systems and social-security provisions of the countries concerned.

[1] Insured unemployed. [2] Change of basis during period. [3] Monthly data are weekly averages. [4] Unfilled applications. [5] Registered unemployed.
[6] Based on results of sample survey. [7] Unemployment-insurance beneficiaries.
[8] Numbers in latest month available as % of total employees (UK) and of total labour force (others). (e) estimated. Source: 'OECD Main Economic Indicators'.

TABLE 3 **Exports (fob)** Special trade,[1] seasonally adjusted

US$ million*

	Belgium/ Luxem-bourg	Den-mark[2]	France	German F.R.	Ireland[2]	Italy	Nether-lands	United King-dom[2]	EEC	*United States*[2]	*Japan*[2]
1968	8,160	2,580	12,708	24,840	792	10,188	8,340	15,348	82,956	*34,416*	*12,972*
1969	10,068	2,952	15,024	29,052	888	11,724	9,960	17,520	97,200	*37,992*	*15,984*
1970	11,592	3,288	17,940	34,188	1,032	13,188	11,772	19,356	112,356	*43,224*	*19,320*
1971	12,081	3,609	20,592	39,009	1,308	15,177	13,953	22,356	128,084	*44,211*	*23,994*
1972	15,612	4,332	25,777	46,187	1,603	18,576	16,386	24,340	152,813	*49,667*	*28,511*
1973	22,330(e)	6,121	36,115	67,622	2,122	22,024(e)	22,915(e)	30,525	209,774(e)	*71,465*	*36,786*
1972 1st quarter	3,582	1,056	5,913	11,025	369	4,368	3,945	6,044	36,302	*12,045*	*6,675*
2nd quarter	3,821	1,085	6,337	11,472	385	4,487	4,149	6,378	38,114	*11,676*	*6,656*
3rd quarter	3,919	1,055	6,445	11,270	413	4,556	4,025	5,389	37,072	*12,529*	*7,261*
4th quarter	4,290	1,136	7,082	12,420	436	5,165	4,267	6,529	41,325	*13,505*	*7,891*
1973 1st quarter	4,721	1,322	7,630	14,074	467	4,279	5,573	6,865	44,931	*15,692*	*8,266*
2nd quarter	5,273	1,409	8,665	16,106	509	5,170	5,872	7,672	50,676	*16,817*	*8,752*
3rd quarter	6,302	1,729	9,931	18,849	547	6,212	6,123	8,059	57,751	*18,523*	*9,336*
4th quarter	6,034 (e)	1,661	9,889	18,478	599	6,364 (e)	5,347 (e)	7,929	56,416 (e)	*20,433*	*10,432*
1974 1st quarter			10,627 (e)	20,674 (e)		6,362		8,317		*22,654* (e)	*11,225* (e)
1973 January	1,370	396	2,432	4,606	132	1,445	1,759	2,211	14,351	*5,189*	*2,564*
February	1,612	472	2,540	4,776	164	1,603	2,003	2,331	15,501	*5,110*	*3,064*
March	1,739	454	2,658	4,692	171	1,231	1,811	2,323	15,079	*5,393*	*2,638*
April	1,761	419	2,673	5,122	162	1,454	1,793	2,530	15,914	*5,607*	*2,909*
May	1,740	494	2,891	5,550	172	1,685	2,027	2,459	17,018	*5,518*	*2,920*
June	1,772	496	3,101	5,434	175	2,031	2,052	2,683	17,744	*5,692*	*2,923*
July	2,007	593	3,369	6,008	179	2,147	2,069	2,652	19,024	*5,895*	*3,167*
August	2,170	485	3,228	6,456	185	1,966	1,960	2,660	19,110	*5,996*	*2,960*
September	2,125	651	3,334	6,385	183	2,098	2,094	2,747	19,617	*6,632*	*3,209*
October	2,102	563	3,311	6,766	201	2,054	1,638 (e)	2,653	19,288 (e)	*6,510*	*3,280*
November	1,885	532	3,394	6,474	186	1,958	1,788 (e)	2,703	18,920 (e)	*6,907*	*3,689*
December	2,047 (e)	566	3,184	5,239	212	2,367 (e)	1,921 (e)	2,573	18,208 (e)	*7,026*	*3,463*
1974 January		531	3,412	6,981	178	1,860 (e)	2,252 (e)	2,442		*7,375*	*3,578* (e)
February			3,515 (e)	6,709 (e)		2,162 (e)		2,850		*7,605* (e)	*3,767* (e)
March			3,700 (e)	6,984 (e)		2,340 (e)		3,025		*7,674* (e)	*3,880* (e)
April				6,966 (e)				3,280		*8,200* (e)	*4,295* (e)
% change in dollar terms latest three months											
On previous three months	−4.3	−4.1	+7.5	+10.5	+1.2	nil	+4.7	+18.6	−2.5	*+10.2*	*+10.6*
On a year earlier	+40.7	+40.4	+39.3	+41.6	+36.8	+48.7	+28.3	+27.4	+36.3	*+45.7*	*+38.7*
% change in national currencies latest three months											
On previous three months	+3.1	+6.7	+17.7	+9.6	+7.1	+10.7	+14.0	+17.7	+3.7[3]	*+10.2*	*+10.4*
On a year earlier	+25.2	+29.6	+40.7	+24.5	+34.3	+63.0	+12.1	+33.8	+20.5[3]	*+45.7*	*+41.6*

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] Weighted average of percentage changes in national currencies.
* All values are expressed in US dollars, making use of IMF parity rates as quoted in 'OECD Main Economic Indicators'.
(e) estimated.
Source: United Kingdom: Department of Trade
All others: 'OECD Main Economic Indicators'.

TABLE 4 **Imports (cif)** Special trade[1], seasonally adjusted

US$ million*

	Belgium/ Luxem-bourg	Den-mark[2]	France	German F.R.	Ireland[2]	Italy	Nether-lands	United Kingdom[2]	EEC	*United States*[2,3]	*Japan*[2]
1968	8,304	3,216	13,980	20,148	1,176	10,248	9,288	18,960	85,320	*33,108*	*12,984*
1969	9,984	3,804	17,388	24,924	1,416	12,444	10,992	19,956	100,908	*36,048*	*15,024*
1970	11,352	4,380	19,116	29,808	1,572	14,940	13,392	21,720	116,280	*39,960*	*18,876*
1971	12,390	4,476	21,261	34,356	1,838	16,026	15,159	23,897	129,403	*45,633*	*19,716*
1972	14,903	4,971	26,665	39,783	2,113	19,284	17,142	27,831	152,692	*55,800*	*23,463*
1973	21,719 (e)	7,447	37,604	54,536	27,55	27,878 (e)		38,836		*69,105*	*38,316*
1972 1st quarter	3,573	1,185	6,354	9,435	495	4,458	4,095	6,848	36,443	*13,455*	*5,400*
2nd quarter	3,630	1,136	6,454	9,997	511	4,610	4,234	6,954	37,526	*13,200*	*5,456*
3rd quarter	3,721	1,301	6,606	9,836	511	4,895	4,233	6,530	37,633	*14,056*	*5,955*
4th quarter	3,979	1,349	7,251	10,515	596	5,321	4,580	7.499	41,090	*15,089*	*6,652*
1973 1st quarter	4,704	1,570	7.922	11,845	618	5,355	5,416	8,275	45,706	*16,173*	*7,355*
2nd quarter	5,241	1,753	9,004	13,168	657	6,700	5,687	9,426	51,636	*16,587*	*9,269*
3rd quarter	5,896	2,026	10,358	14,553	744	7,837	6,717	10,238	58,369	*17,616*	*10,122*
4th quarter	5,878 (e)	2,098	10,319	14,970	735	7,986 (e)		10,895		*18,729*	*11,570*
1974 1st quarter			11,317 (e)	15,224 (e)		9,385 (e)		12,032		*21,741* (e)	*12,044* (e)
1973 January	1,543	546	2,515	3,704	196	1,675	1,732	2,583	14,494	*5,260*	*2,254*
February	1,555	506	2,649	4,144	207	2,124	1,823	2,685	15,693	*5,512*	*2,445*
March	1,606	518	2,758	3,997	215	1,556	1,861	3,007	15,519	*5,401*	*2,656*
April	1,639	503	2,662	4,031	209	1,906	1,878	2,884	15,712	*5,273*	*2,881*
May	1,791	620	3,102	4,514	214	2,190	1,892	3,253	17,576	*5,580*	*3,093*
June	1,811	630	3,240	4,623	234	2,604	1,917	3,289	18,348	*5,734*	*3,290*
July	1,902	676	3,539	4,844	263	2,393	2,375	3,294	19,286	*5,767*	*3,256*
August	1,967	678	3,383	4,904	246	2,593	2,093	3,468	19,332	*5,956*	*3,587*
September	2.027	672	3,436	4,805	235	2,851	2,249	3,476	19,751	*5,893*	*3,279*
October	2,097	739	3,614	5,403	257	2,599		3,746		*5,863*	*3,621*
November	1,975	737	3,432	5,112	254	2,205		3,625		*6,720*	*3,840*
December	1,806 (e)	622	3,273	4,455	224	3,182(e)		3,526		*6,146*	*4.109*
1974 January		784	3.510	5,116	233	2,393 (e)		3,497		*6,506* (e)	*3,426* (e)
February			3,823 (e)	4,738 (e)		3,372 (e)		4,101		*7,390* (e)	*4,249* (e)
March			3,984 (e)	5,370 (e)		3,620 (e)		4,434		*7,845* (e)	*4,369* (e)
April				5,119 (e)				4,557		*8,107* (e)	*5,272* (e)
% change in dollar terms latest three months											
On previous three months	−0.3	+2.6	+9.6	+3.7	−3.7	+17.5	+18.1	+23.0	+13.0	*+20.5*	*+26.7*
On a year earlier	+47.7	+48.6	+42.9	+15.1	+18.5	+75.3	+58.7	+52.7	+55.1	*+44.2*	*+81.1*
% change in national currencies latest three months											
On previous three months	+7.3	+14.2	+20.1	−9.9	+1.9	+20.2	+7.9	+22.0	+6.0[4]	*+20.5*	*+26.4*
On a year earlier	+31.5	+37.2	+44.3	+10.0	+16.4	+92.1	+28.1	+60.3	+32.1	*+44.2*	*+84.9*

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] *fob.* [4] Weighted average of percentage changes in national currencies
* All values are expressed in US dollars with the use of IMF parity rates as quoted in 'OECD Main Economic Indicators'.
(e) estimated. Source: United Kingdom: Department of Trade. All others: 'OECD Main Economic Indicators'

TABLE 5 **Balance of Payments on Current Account**

US$ million (unadjusted)

	Belgium/ Luxem-bourg	Den-mark	France	German F.R.	Ireland	Italy	Nether-lands	United Kingdom	EEC	*United States*	*Japan*
1968	28	−216	−1,059	2,726	− 57	2,627	65	− 682	3,432	*− 482*	*1,048*
1969	74	−410	−1,798	1,609	−190	2,339	31	1,068	2,723	*−1,036*	*2,119*
1970	715	−544	− 152	731	−185	762	−518	1,661	2,470	*355*	*1,970*
1971	1,004	−422	525	317	205	1,570	−234	2,588	5,143	*−2,893*	*5,797*
1972	1,136	− 65	285	397	−162	1,451	1,051	221	4,314	*−8,689*	*6,623*
1973	1,082 (e)			3,523 (e)			1,719 (e)	−3,569		*3,042*	*−52* (e)
1971 1st quarter	163	−184	− 51	282		−105	−173	154		*677*	*434*
2nd quarter	369	−122	135	− 14		147	−163	833		*− 692*	*1,262*
3rd quarter	190	− 23	− 5	−198		1,076	25	900		*−2,291*	*2,100*
4th quarter	282	− 93	446	247		452	77	701		*− 587*	*2,001*
1972 1st quarter	279	− 39	− 324	− 52		607	5	− 73		*−1,853*	*958*
2nd quarter	215	56	445	−125		699	267	476		*−2,473*	*1,212*
3rd quarter	235	− 36	− 3	−485		577	382	355		*−3,331*	*2,084*
4th quarter	407	− 46	167	1,060		−433	397	173		*−1,032*	*2,369*
1973 1st quarter	345	−147	− 191	208		−914	304	− 878		*62*	*482*
2nd quarter	226	−179	426	528		−839	632	− 468		*− 301*	*−402*
3rd quarter	200		−432 (e)	863		−330 (e)	− 17	− 808		*− 516*	*115*
4th quarter	311 (e)			1,924 (e)			800 (e)	−1,415		*3,797*	*−255* (e)

Source: UK: Central Statistical Office. All others: IMF International Financial Statistics

TABLE 6 **Export Unit Values of Manufactures**

Indices 1970 = 100

	Belgium/ Luxem-bourg		France		German F.R.		Italy		Nether-lands[1]		United Kingdom		*United States*	*Japan*	
	US$	Bfrs.	US$	frs.	US$	D.M.	US$	lire	US$	Gdrs.	US$	£	US$	US$	Yen
1968	91	91	96	85	88	96	92	92	95	95	90	90	*91*	*90*	*90*
1969	95	95	97	90	92	93	95	95	97	97	93	93	*95*	*95*	*95*
1970	100	100	100	100	100	100	100	100	100	100	100	100	*100*	*100*	*100*
1971	101	98	106	106	108	103	106	107	107	103	110	109	*102*	*104*	*101*
1972	115	101	116	107	119	104	115	107	117	105	122	117	*105*	*115*	*98*
1973															
1972 1st quarter	113	100	114	105	118	104	114	106	118	106	123	114	*104*	*112*	*96*
2nd quarter	117	103	114	105	118	104	114	106	117	105	125	116	*105*	*115*	*98*
3rd quarter	114	100	116	107	122	107	116	107	117	105	121	118	*104*	*116*	*99*
4th quarter	116	103	118	108	119	104	116	108	118	106	117	119	*106*	*119*	*102*
1973 1st quarter			127	111	128	105	120	111	126	107	122	121	*107*	*125*	*96*
2nd quarter			142	113	141	106	122	116	138	108	131	124	*110*	*138*	*101*
3rd quarter			153	115			132	121	156	113	133	129	*115*		
4th quarter													*119*		
% change latest 3 months:															
On previous 3 months	+1.8	+3.0	+7.7	+1.8	+10.2	+1.0	+8.2	+4.3	+13.0	+4.6	+1.5	+4.0	*+3.5*	*+10.4*	*+5.2*
On a year earlier	+8.4	+4.0	+31.9	+7.5	+19.5	+1.9	+13.8	+13.1	+33.3	+7.6	+9.9	+9.3	*+12.3*	*+20.0*	*+3.1*

(e) estimated. Source: Dollar value: 'United Nations Monthly Bulletin'. National currency: Dollar values converted at OECD exchange rates as quoted in 'Series A'
[1] No quarterly series available for 1971.

TABLE 7 **Consumer prices** All goods and services

Indices 1970 = 100

	Belgium[1]	Luxembourg[1]	Denmark	France[2]	German F.R.	Ireland	Italy	Netherlands	United Kingdom	*United States*	*Japan*[2]
1968	92	93	91	89	93	86	93	89	90	*90*	*88*
1969	96	96	94	95	96	92	95	96	94	*94*	*93*
1970	100	100	100	100	100	100	100	100	100	*100*	*100*
1971	104	105	106	105	105	109	105	108	109	*104*	*106*
1972	110	110	113	112	111	118	111	116	117	*108*	*111*
1973	118	117	124	120	119	132	123	125	128	*114*	*124*
1972 1st quarter	108	108	110	109	109	115	108	113	114	*106*	*108*
2nd quarter	109	109	112	110	110	117	109	115	116	*107*	*111*
3rd quarter	111	111	114	113	112	120	111	116	118	*108*	*111*
4th quarter	113	113	116	115	114	122	114	119	121	*109*	*113*
1973 1st quarter	115	114	118	116	116	126	117	121	123	*111*	*116*
2nd quarter	117	117	122	118	119	130	122	125	127	*113*	*123*
3rd quarter	118	117	125	121	120	133	124	126	129	*116*	*126*
4th quarter	121	119	129	124	122	137	128	129	133	*118*	*131*
1974 1st quarter	125	123	134	129	125	144		132	139	*122*	*145*
1973 January	115	114	117	115	116		116	121	122	*110*	*114*
February	115	114	118	116	116	126	117	121	123	*111*	*115*
March	116	115	119	116	117		119	122	124	*112*	*118*
April	116	116	120	117	118		120	124	126	*112*	*121*
May	117	117	122	118	119	130	122	125	127	*113*	*123*
June	117	117	123	119	120		123	125	128	*114*	*123*
July	118	117	124	120	120		124	125	128	*114*	*124*
August	118	117	124	121	119	133	124	126	129	*116*	*125*
September	119	118	126	122	120		125	127	130	*117*	*129*
October	120	118	127	123	121		126	128	132	*118*	*129*
November	120	119	129	125	122	137	128	129	133	*118*	*130*
December	122	120	131	125	123		129	130	134	*119*	*135*
1974 January	123	121	134	127	124		132	130	137	*120*	*141*
February	125	124	134	129	125	144	134	131	139	*122*	*146*
March	127	124	134	131	125		138	133	141	*123*	*147*
April		126	135	133	126		139	135	145	*124*	*152*
% change latest three months:											
On previous three months	+3.6	+3.7	+2.3	+4.0	+2.0	+4.7	+5.7	+2.9	+5.0	*+3.0*	*+9.5*
On a year earlier	+8.5	+8.6	+12.9	+12.3	+7.2	+13.4	+15.3	+8.6	+13.9	*+10.1*	*+25.5*

[1] Excluding rent. [2] Change of basis during period. (e) estimated.

Source: 'OECD Main Economic Indicators'

TABLE 8 **Value of retail sales** Current prices, seasonally adjusted

Indices 1970 = 100

	Belgium[1]/ Luxembourg	Denmark	France[2]	German F.R.[3]	Ireland[4]	Italy[6]	Netherlands	Great Britain[5]	*United States*	*Japan*
1968	83	82	88	82	83	84	80	89	*92*	*80*
1969	90	90	97	90	91	90	89	93	*95*	*89*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	107	108	104	111	111	111	108	109	*109*	*110*
1972	120	119	110	120	125	125	121	123	*119*	*118*
1973	138	134	117	129	148		131	139	*134*	*145*
1972 1st quarter	115	113	107	117	119	119	116	116	*114*	*111*
2nd quarter	117	118	108	118	122	119	120	119	*117*	*114*
3rd quarter	122	121	111	123	126	127	122	125	*120*	*120*
4th quarter	126	123	110	122	132	133	124	130	*125*	*124*
1973 1st quarter	133	128	112	130	141	138	128	135	*132*	*135*
2nd quarter	134	129	116	128	147	142	130	133	*132*	*139*
3rd quarter	135	137	114	128	149	153	132	140	*136*	*147*
4th quarter	145	142	124	130	152		137	147	*137*	*156*
1974 1st quarter			127					148	*138*	
1973 January	132	127	112	127	137	128	126	131	*130*	*131*
February	135	128	113	133	145	140	130	135	*132*	*134*
March	134	128	111	128	143	146	127	139	*134*	*139*
April	130	128	111	129	142	140	124	131	*132*	*138*
May	135	127	120	129	148	144	130	132	*133*	*139*
June	137	134	115	127	151	142	130	136	*132*	*141*
July	133	135	114	129	143	143	129	138	*137*	*145*
August	133	137	113	128	158	153	133	139	*135*	*145*
September	139	139	116	128	147	163	132	141	*136*	*151*
October	144	141	126	132	151	164	137	146	*138*	*153*
November	144	141	120	129	155		135	147	*137*	*159*
December	148	143	124	129	151		138	149	*135*	*155*
1974 January		142	129	135	154			147	*137*	*160*
February		145	127					148	*138*	
March			126					148	*140*	
% change latest three months:										
On previous three months	+7.4	−0.2	+2.4	+1.3	+0.9	+11.9	+3.8	+0.5	*+0.7*	*+5.6*
On a year earlier	+15.0	+13.8	+13.4	+6.2	+16.6	+23.1	+10.5	+9.6	*+4.5*	*+24.1*

[1] Department stores. [2] Department and chainstores. [3] Excluding West Berlin. [4] Average weekly sales. [5] Excluding motor vehicles.
[6] Revised series, including chainstores.

Source: 'OECD Main Economic Indicators'

TABLE 9 Earnings/wages per head in manufacturing Indices 1970 = 100

	Belgium/ Luxembourg	Denmark[1, 2]	France[3]	German F.R.[7, †]	Ireland[3]	Italy[8]	Netherlands[4]	United Kingdom†	*United States*[5]	*Japan*[6 †]
1968	84	81	82	79	76	78	82	81	*90*	*73*
1969	92	90	91	87	86	83	90	89	*95*	*85*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	111	115	110	116	116	113	112	111	*106*	*114*
1972	127	129	120	121	133	124	126	126	*113*	*132*
1973	147					154	142	143	*121*	*163*
1971 1st quarter	107	108	104	108	110	109	107	108	*104*	*108*
2nd quarter	110	114	107	109	114	111	110	111	*106*	*111*
3rd quarter	112	117	110	113	118	114	114	112	*106*	*116*
4th quarter	115	121	113	112	122	116	116	115	*108*	*117*
1972 1st quarter	122	123	115	116	127	119	122	121	*111*	*123*
2nd quarter	124	128	118	120	131	121	124	124	*112*	*129*
3rd quarter	129	130	121	122	135	126	128	127	*113*	*131*
4th quarter	132	135	126	126	140	130	129	131	*116*	*138*
1973 1st quarter	140	137	128	130	145	137	137	134	*118*	*145*
2nd quarter	144	147	133	135	157	151	140	139	*120*	*155*
3rd quarter	149	152	138	137	164	161	146	144	*122*	*160*
4th quarter	153			141		168	148	149	*124*	*175*
% change latest three months:										
On previous three months	+2.7	+3.4	+3.7	+2.9	+4.5	+4.3	+1.4	+3.8	*+1.9*	*+9.1*
On a year earlier	+15.9	+16.9	+13.5	+11.9	+21.5	+29.2	+14.7	+13.4	*+7.2*	*+27.1*

† Seasonally adjusted.
[1] Earnings in industry and construction. [2] Including bonuses. [3] Earnings. [4] Hourly earnings industry: males. [5] Gross hourly earnings per productive worker.
[6] Monthly earnings in manufacturing: regular workers. [7] Wages and salaries per employed person in industry, excluding construction, public gas and electricity undertakings.
[8] Hourly-rates times average daily hours worked. Source: All countries 'OECD Main Economic Indicators', except German Federal Republic ('Monatsberichte der Deutschen Bundesbank', Reihe 4), Italy ('I.L.O. Yearbook' and 'M.E.I.') and United Kingdom ('Department of Employment Gazette').

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